



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: September 19, 2019

TO: Gary McDowell, Director
Department of Agriculture and Rural Development

FROM: Rachael Eubanks *RE*
State Treasurer

SUBJECT: Inspection Fee Inflation Adjustments
Nursery Stock Grower
Nursery Dealer, Import, Export and Special

MCL 286.206(6) provides that:

. . . the director [of the Department of Agriculture and Rural Development] shall adjust the schedule of fees for the costs of making the various inspections of nursery stock, plants, and plant materials as required by this act. The director shall review and adjust its schedule of fees for the inspections at the end of each fiscal year. **In any given fiscal year, the director may raise inspection fees by not more than an amount determined by the state treasurer to reflect the cumulative annual percentage change in the Detroit-Ann Arbor-Flint consumer price index over the 1-year period.** An adjustment under this subsection shall not exceed 5% even if the amount determined by the state treasurer to reflect the cumulative annual percentage change over the 1-year period is more than 5%. If the cumulative annual percentage change over the 1-year period is less than zero, a cumulative annual percentage change of zero shall be used for the adjustment. The adjustment shall be rounded to the nearest dollar to set each year's fee under this subsection, but the absolute value shall be carried over and used to calculate the next annual adjustment. The commission of agriculture and rural development shall approve all adjustments to the fees before they are adopted.

As we have in the past to calculate maximum nursery fee amounts:

We calculated the percent increase in the Detroit-Ann Arbor-Flint (now, Detroit-Warren-Dearborn) consumer price index for fiscal year 2019 using the six published values for the year (the six even numbered months of the year).

Using the six published months of data yields a 1.1 percent increase in the Detroit-Warren-Dearborn CPI for fiscal year 2019.

In fiscal year 2019, inspection fees are as follows:

Nursery Stock Grower Inspection Fee:

\$56 for the first acre inspected

\$33 per acre for each additional acre inspected

Nursery Dealer, Import, Export and Special Maximum Inspection Fee

\$61 per hour

Thus, given that the Detroit CPI rose 1.1 percent in FY 2019, the maximum fees that may be charged in FY 2020 are as follows:

Fiscal Year 2020 Nursery Stock Grower Maximum Inspection Fee:

\$56 for the first acre inspected

\$34 per acre for each additional acre inspected

Fiscal Year 2020 Nursery Dealer, Import, Export and Special Maximum Inspection Fee:

\$62 per hour

Please call Eric Bussis (335-7438) or me (241-2624) if you have any questions.

cc: Jeffrey Zimmer, Acting Director, Pesticide and Plant Pest Management Division, MDARD
Katherine Kratz, Department of Treasury